

II. BACKGROUND FOR PLANNING



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An extensive array of background information was reviewed and analyzed during the preparation of the San José 2020 General Plan. The purpose of this chapter is to summarize the major findings and conclusions which have influenced the goals and policies of the General Plan. This background information was also used to develop the Land Use/Transportation Diagram of this Plan. ■

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NATURAL ENVIRONMENT

The City of San José is located along the easterly side of the Santa Clara Valley. The Valley rises from sea level at the southerly end of San Francisco Bay to elevations of 150 to 400 feet easterly and southerly. The average grade on the Valley floor ranges from nearly flat to 2%.

To the southwest, the Valley gives way to the Santa Cruz Mountains, consisting of a number of complex ridges with rugged slopes, varying in gradient from 40 to 60 percent and more. The crest of these mountains lies at elevations of 2,000 to 3,400 feet. The highest point is Loma Prieta Peak at an elevation of 3,806 feet.

The eastern edge of the Valley is defined by the Diablo Range. The range consists of several parallel ridges with slopes varying between 20 and 60 percent, with small intervening valleys. The highest point within San José's Sphere of Influence is Copernicus Peak (elevation 4,372 feet) near the Lick Observatory at Mt. Hamilton. The lower foothills of this range have slopes ranging from 20 to 40 percent. The crests of these foothills vary from 1,000 to over 2,000 feet in elevation.

The undeveloped areas within San José's Sphere of Influence support a wide variety of ecosystems. Natural communities in the region range from salt water and fresh water marshes to scrub brush, foothill woodlands and coniferous forest.

The climate in San José is of a typical Mediterranean type modified slightly by marine breezes from the Pacific Ocean. The principal characteristics of this type of climate are warm, very dry summers and cool, relatively rainy winters. The air quality in San José is dependent upon climate and topography as well as on the quantity of pollutants.

Air quality in the region declined after World War II with increased industrialization and development. As the problems caused by air pollution were recognized by the State and Federal governments, air pollution standards were developed and enforced. Although the Bay Region is occasionally in violation of these standards, air quality in the region has substantially improved over the last 20 years as the result of actions and legislation at all levels of government.

San José receives a relatively modest 14-15 inches of rainfall per year which is characteristic of Mediterranean-type climates. This type of climate is also subject to recurring and sometimes long lasting droughts. In normal rainfall years, only about 50% of the County's water supply is provided locally, primarily from groundwater sources. In drought years, up to 90% of the water used by the County is imported. The sources of the imported water supply are beyond the control of local jurisdictions within the County and these sources cannot be considered stable. To reduce the need for imported water and to maximize the efficient use of the local supply, San José, the Santa Clara Valley Water District (SCVWD), and water retailers have worked together to conserve water. The City is also developing a large scale water reclamation program which would reuse treated wastewater to help conserve freshwater supplies.

Soils in Santa Clara Valley include clay in the low-lying areas, loam and gravelly loam in the upper portions of the Valley, and eroded rocky clay loam in the hills. Agricultural land capabilities range from prime to watershed. The prime cropland is located throughout the valley floor with moderately good cropland and prime pasture land adjacent to the hills and the Bay. The ridge areas have agricultural value as grazing land and are prime watershed lands.



Subsidence of soils has occurred on the valley floor. This problem is a result of withdrawal of groundwater for agricultural, domestic and industrial use at a faster rate than natural or artificial replenishment. In addition, development over large portions of the valley floor has reduced the percolation capacity of the land, thereby reducing natural replenishment and perpetuating the subsidence. The Santa Clara Valley Water District (SCVWD) has recharged and stabilized the groundwater aquifer by pumping imported water into it. The three major groundwater basins, which are interconnected and underlie nearly 30 percent of the total County area, are the Santa Clara, Coyote, and Llagas Valleys. Groundwater supplies nearly 60 percent of the total water used in the Santa Clara Valley basin area and nearly all of that used in the Coyote Valley and Llagas Valley basin areas.

The ground water pumped from most of the existing wells in the County generally is of good quality. However, areas near the San Francisco Bay experience salt water intrusion; and the migration of saline water through tidal channels causes contamination. These occurrences of salt water intrusion are possible because of the aforementioned subsidence which has resulted from historical groundwater overdraft.

San José is located in a region of significant seismic activity and geotechnic instability. The major earthquake faults in the region are the San Andreas near the crest of the Santa Cruz Mountains and the Hayward and Calaveras fault system in the Diablo Range. Other potentially active faults, located in both the hills and valley areas of San José, are the Berryessa, Crosley, Clayton, Quimby, Shannon, Evergreen, and Silver Creek faults.

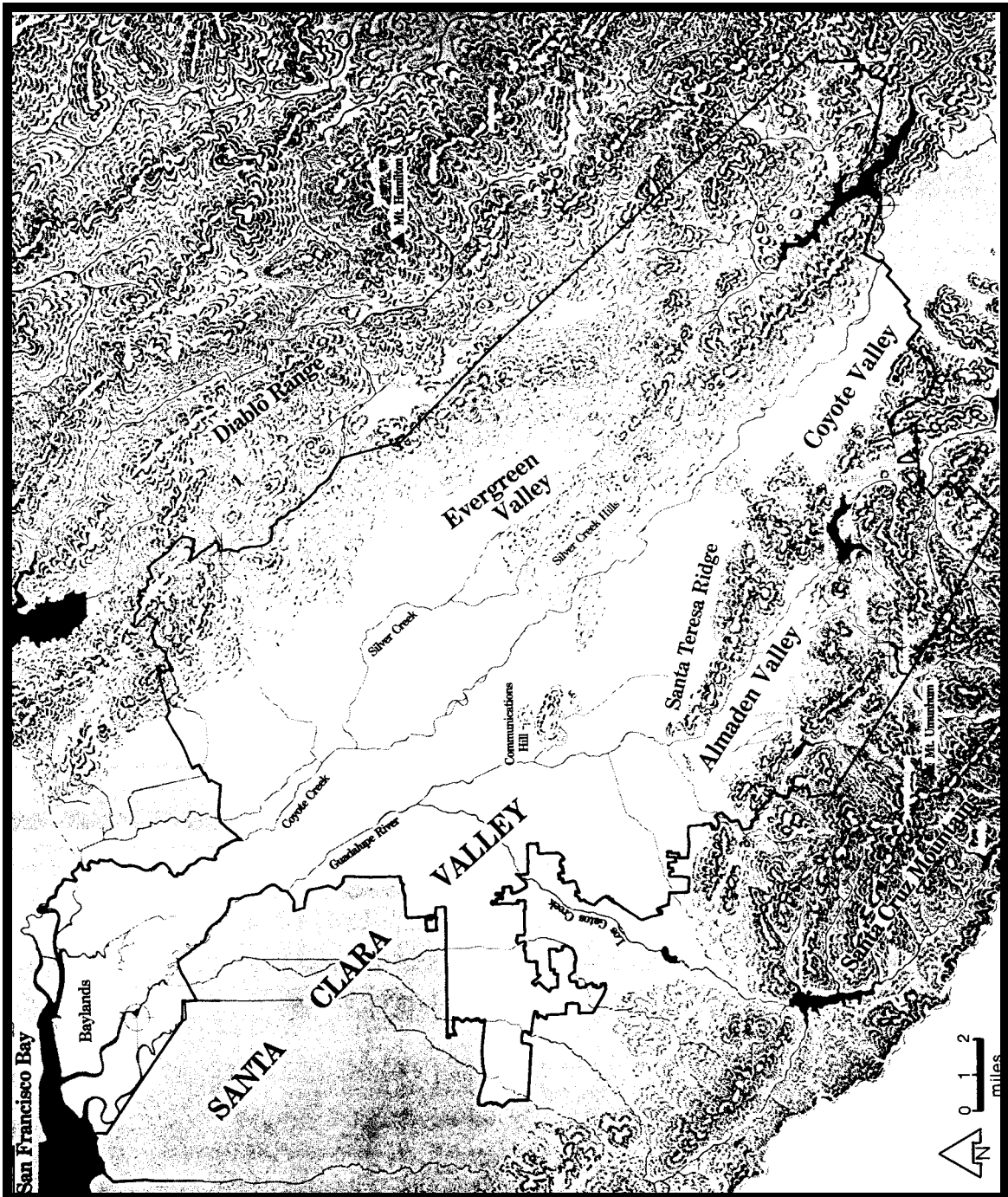
The hills and mountains around the Santa Clara Valley are the source of numerous perennial and intermittent streams. The major waterways include Los Gatos Creek, Guadalupe River and Alamitos Creek; flowing out of the Santa Cruz Mountains; Coyote Creek and a host of tributaries including upper and lower Penitencia Creek and Silver Creek flowing out of the Diablo Range; and Fisher Creek with headwaters on the western side of Coyote Valley. Permanent bodies of water include Lexington Reservoir on Los Gatos Creek, Guadalupe, Almaden and Calero Reservoirs in the Santa Cruz Range, Anderson Lake in the Diablo Range, and the San Francisco Bay.

These streams and other bodies of water are important environmental features for the City and the region. Equally important is the quality of the water carried or contained by these bodies of water and the preservation of

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the riparian lands or ecosystems that are an integral part of these features. The San Francisco Bay and adjacent marshlands are particularly important to the region. The City has been working with the State and Regional Water Quality Control Boards to preserve the water quality of the Bay and the sensitive saltwater marshes that are part of the Bay's ecosystem. These efforts primarily involve minimizing the discharge of freshwater effluent into the Bay from the Water Pollution Control Plant and better controlling nonpoint source pollutants carried by the storm drainage system. ■

Map 1. San José Setting



Source: Department of Planning, Building and Code Enforcement

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URBAN SETTING

The visual and functional character of San José is defined by the pattern and extent of its present urban uses. While there is still a significant amount of undeveloped land suitable for urban uses remaining on the valley floor, the hillsides surrounding the City are an extensive land resource devoted to non-urban uses such as watershed, range lands and wildlife habitat.

Residential use is by far the most prevalent urban use in San José occupying about 59% of all the City's developed urban land. This residential development is typified by low density, single-family detached housing. Approximately 58% of the City's housing stock is single-family detached housing, much of it located in homogeneous neighborhoods which are a product of large scale, suburban tract development on 6,000 or 8,000 square foot lots. Almost half of the housing stock has been built since 1970.

Single-family attached housing units (e.g., townhouses) make up about 9.5% of the City's housing stock and are characterized by densities of 10 to 16 dwelling units per acre. The remaining housing stock consists of a variety of multi-family housing units typically ranging in density from 12 to 40 dwelling units per net acre in structures of two to four stories in height. Multi-family developments are widely dispersed throughout the City, with the largest concentrations along major streets, located in the central and western parts of the City.

Commercial development occupies about 4.3% of the urban land in San José. Each commercial area has taken on a distinctive character. Outside the Downtown Core Area, commercial development exists in the form of neighborhood and community commercial centers, strip commercial developments along arterial streets, and regional shopping centers. The Downtown

has evolved into a financial, office, cultural and entertainment center. The commercial development pattern has responded to the dispersed residential population.

Industrial development occupies about 8.5% of the urban land in San José. Industrial land is distributed along the First Street/Monterey Highway axis which runs from north to south through the City. The major industrial areas of the City are: Central City, North San José (including the Rincon de los Esteros Redevelopment Area), Edenvale (two large industrial areas located roughly seven miles southeast of Downtown), and the North Coyote Valley Campus Industrial Area (mostly undeveloped). The Central City industrial areas historically developed with manufacturing and heavy industrial uses. The North San José industrial area has been the fastest growing in the City since it is the closest to the path of job growth in Silicon Valley which has experienced phenomenal growth of high technology firms over the last 20 years. Substantial industrial development has also occurred in the southern portion of the Edenvale industrial area. Administrative offices, research and development and light manufacturing activities are the primary uses in the North San José and Edenvale industrial areas. North Coyote Valley, which is largely undeveloped, is expected to accommodate similar uses but in a campus like setting. Some of the older, heavy industrial development is being rehabilitated and converted to new, high technology uses. The City, however, recognizes the value of industrial service/supplier uses and intends to preserve these types of uses in many of the older industrial areas, such as the Monterey Corridor. Most of the City's industrial development has a low profile, landscaped industrial park character.

San José is the largest city in Santa Clara County, both in terms of population and area. The Urban Service Area is approximately 89,000 acres, of which 17.5% is vacant or

unused. As shown on Figure 3, about 41% of this vacant land is designated for residential development. These residential land reserves, the planned conversion of developed properties to residential use, and the expected continued trend of density increases and redesignation to residential land uses will enable San José to accommodate significant amounts of new housing to meet the demand created by future economic development.

San José will continue to provide the majority of the new housing to be built in Santa Clara County since the City has the largest reserve of vacant land planned for residential use. The supply of vacant residential land, however, is limited and the City must use this land efficiently. Two-thirds or more of the new units built in the City will be multi-family dwellings. Due to this and lower land costs in San José relative to the rest of the County, the City will continue to provide most of the lower cost, affordable housing built in the County. Figure 1 compares housing costs in San José to those in the rest of the County which is one of the highest cost housing markets in the United States.

San José's residential land supply will accommodate a wide variety of housing types including market rate and high end single-family detached and attached dwellings. Most of the City's new housing development will occur in the existing urbanized area of the valley floor. Some limited development may occur at the fringe of the urban area but only when the City determines that conditions are appropriate for additional urbanization. ■

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Figure 1. Monthly Housing Cost

Monthly Housing Costs			
		Owner Occupied	
	Mean Contract Rent	Condominium Homes	Single-Family Homes
San José	\$800	\$1,224	\$1,339
Remainder of Santa Clara County	\$816	\$1,313	\$1,487

Figure 2. Median Residential Resale Prices

Median Residential Resale Prices Santa Clara County - 1990	
City/Area	1990
Saratoga	\$580,000
Los Altos	\$535,000
Los Gatos	\$435,000
Palo Alto	\$355,000
Cupertino	\$330,000
Sunnyvale	\$309,000
Campbell	\$255,000
Santa Clara	\$245,000
Milpitas	\$230,000
San José	\$230,000
Mt. View	\$229,000

Source: San José Real Estate Board (Includes prices for single-family detached and attached units)

Figure 3. Vacant Land in San José

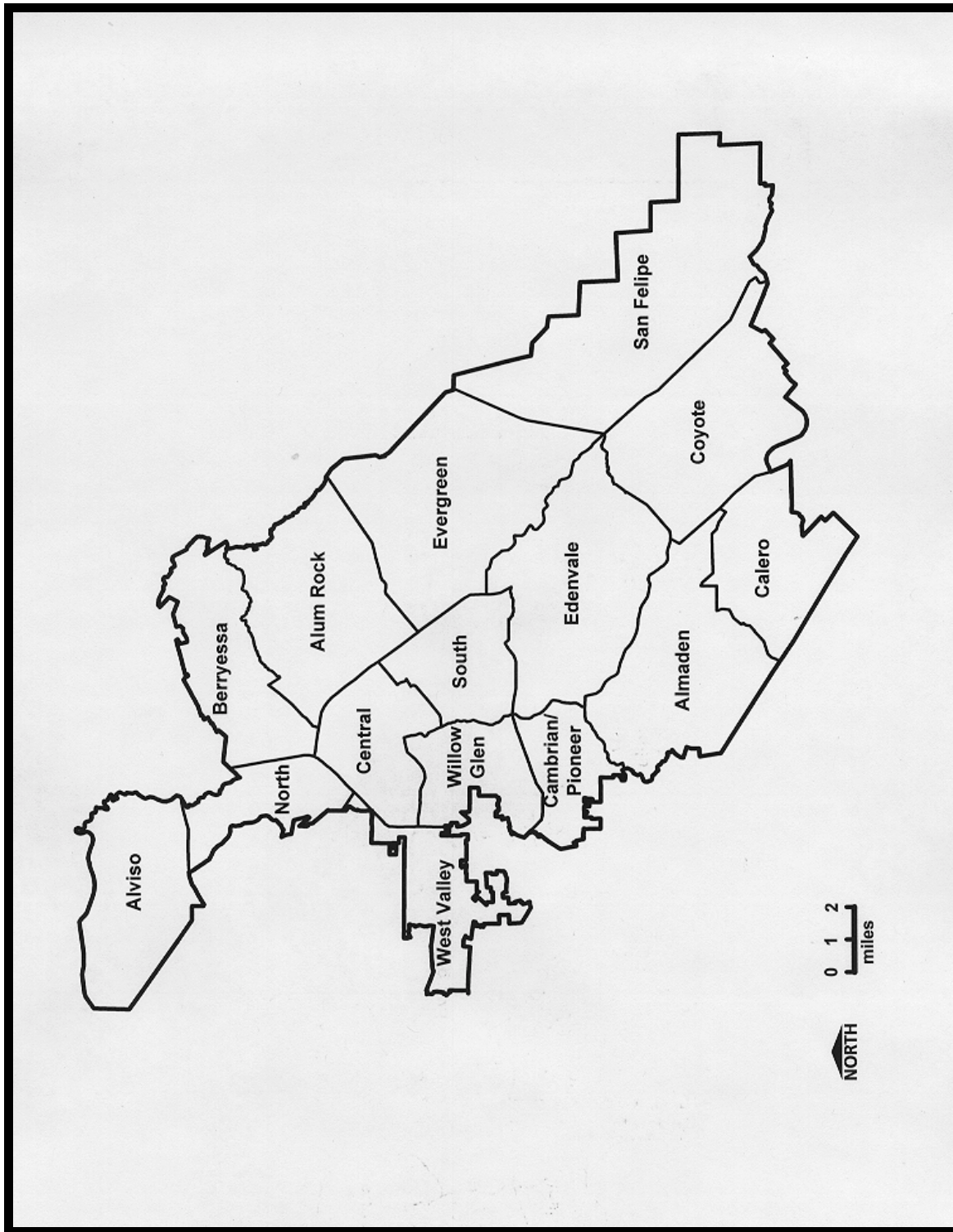
Vacant Land by General Plan Designation San José Urban Service Area									
JULY 1993 (Gross Acres)									
PLANNING AREA	Non-Urban	Single Family	Multi-Family	Commercial	Industrial	Public/Quasi-Public	Public Park & Open Space	Other	TOTAL
Almaden	189.68	455.54	18.38	1.54	3.53	1.32	61.28	109.03	840.3
Alum Rock		278.97	77.11	38.09	92.39	32.3	121.45		640.31
Alviso		24.25	7.56	49.45	435.87	331.39	321.56	65.87	1,235.95
Berryessa	71	388.74	87.59	36.17	260.33	22.33	29.23	18.31	913.7
Central		12.72	80.9	49.85	72.81	32.49	129.71	17.96	396.44
Coyote					1,499.33				1,499.33
Cambrian/Pioneer		57.57	101.08	7.26	19.96	14.91			200.78
Edenvale	527.07	563.02	310.2	50.81	868.08	12.64	183.22		2,515.04
Evergreen	212.62	3,440.93	17.87	48.08	351.67	95.11	211.45	47.23	4,424.96
North San José		5.46	139.4	51.05	684.74	339.74	28.14		1,248.53
South San José	32.47	91.45	216.22	172.48	212.57	9.68	422.31	16.11	1,173.29
Willow Glen		16.94	16.98	22.25		1.67	0.13		57.97
West Valley		4.32	32.18	16.85					53.35
TOTAL	1032.8 ₄	5339.91	1105.4 ₇	543.88	4501.28	893.58	1508.48	274.51	15,199.9 ₅
% of Total Vacant Land	6.8%	35.1%	7.3%	3.6%	29.6%	5.9%	9.9%	1.8%	100.0%

Note: General Plan Designations are from after 1993 General Plan changes approved December 14, 1993. The totals indicated on this chart may differ from the total vacant area in the urban service area as used elsewhere in the General Plan. The difference is due, partly, to the vacant transportation corridors not enumerated here. The "Non-Urban" category includes the General Plan designations of Non-Urban Hillside and Rural Residential. The "Other" category includes Private Recreation, Private Open Space, Agriculture, Airport, Approach Zone, and the various special Core Area designations.

Source: City of San José, Department of Planning, Building and Code Enforcement

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Map 2. San José Planning Areas



JOBS AND HOUSING

The concept of a balance between the number of jobs and resident workers (generally referred to as the "jobs and housing balance") is integral to this General Plan and to an understanding of the regional urban setting. The jobs/housing balance is the relationship between the number of jobs provided by a community and the number of housing units needed to house the workers in those jobs. The best measure of jobs/housing balance is the jobs/employed resident ratio; a ratio of 1.00 indicates that there is a numeric balance between the number of jobs and the number of employed residents in a community. A ratio of less than 1.00 indicates that a community is "job poor" and that its economic development has not kept pace with its housing growth. Typically this implies that the community's tax base is weak and may be unable to support adequate levels of urban services.

A jobs/housing balance is more complicated than a simple numeric definition. It indicates whether a community's housing costs match worker incomes, travel distances between homes and jobs are not excessive, and the environment and quality of life are maintained at an acceptable level. A jobs/housing imbalance can create both environmental problems (increased traffic congestion, decreased air quality) and fiscal problems (insufficient resources to provide services since housing cannot pay for all its service needs).

Santa Clara County as a whole has been relatively well balanced (slightly "jobs rich") in terms of employment and resident workers. San José, however, has not equitably shared in the benefits of this relatively balanced economic condition. Most of the employment opportunities in the County have been and are located in the cities surrounding San José, while San José has had a much higher proportion of the

County's population growth. Thus, San José has been the bedroom community for the employment centers in other cities. Between 1975 and 1980, this imbalance between San José and the other cities in Santa Clara County intensified. During this time frame, San José experienced 56% of the County's housing growth but captured less than 40% of the new jobs created in the County. In the 1980s, San José improved its rate of job growth by capturing 52% of the County's total employment growth. This was offset, however, by the housing and population growth experienced by San José in the same decade. 1990 Census figures show that San José accounted for 64.3% of the housing growth and 75.5% of the population growth in Santa Clara County between 1980 to 1990. The City's share of the County's total employment rose slightly from 1980 to 1990 increasing from about 37% to 38%. The City houses about 52% of the County's total population. Clearly, San José's previous role as a bedroom community has not significantly changed.

The 1990 Census reported that there was an average of 1.63 workers per household in San José. The 250,218 households in San José, therefore, housed about 407,862 workers. An economic consultant hired by the City using California Employment Development Department data estimated that there were about 318,150 jobs located in San José. That means there was a net out-commute of 89,712 workers from San José each day. Thus, nearly 22% of San José's resident labor force commuted to other cities, primarily to the north and west. The fact that there is severe peak hour congestion on routes between San José and North County cities is directly attributable to the jobs and housing imbalance within the County.

While San José's deficit of jobs compared to housing slightly improved in the 1980s, the County was developing an overall deficit of

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housing as compared to jobs. In 1980, there was a sizable in-commute to Santa Clara County from neighboring counties which has steadily increased since that time. Thus, the oversupply of jobs in other cities in Santa Clara County has become so large that it requires even more housing for workers than can be supplied by San José's net out-commute of resident workers.

The City of San José does not have sufficient fiscal resources to provide desired levels of City services, due in large measure to the fact that there is an imbalance of jobs and housing. As can be seen from Figure 4, San José's jobs/employed resident ratio of 0.78 is the second lowest of the ten largest cities in the County and is lower than the overall County ratio of 1.06. This indicates that San José's existing tax base is simply not adequate to support the service needs generated by its residents. A basic premise of this Plan is that San José's fiscal deficiencies can be improved under the current local government revenue structure only through attaining a better balance of jobs and resident workers. This means, in effect, that there needs to be more new economic development than new housing development. Another basic premise of this Plan is that a city's share of the regional housing need should be equivalent to the housing demand induced by employment in that city; the city with employment has the tax base to support services required by residential land uses. Thus, San José should not assume the responsibility for housing workers employed in other cities.

It is unlikely that San José will achieve a perfect balance between jobs and housing given past development patterns and the slower rate of economic growth anticipated in the future. San José, however, must make every effort to improve its jobs/housing balance and prevent any further deterioration in this balance if it is to provide adequate services to its residents. ■

Figure 4. Jobs/Housing Comparison in Santa Clara County

Jobs/Housing Comparison in the Ten Largest Cities in Santa Clara County						
1990 Estimates						
Jurisdiction	Jobs	Households	Employed Residents	Jobs per Household	Jobs per Employed Resident	Employed Residents per Household
San José	318,150	250,218	407,862	1.27	0.78	1.63
Sunnyvale	127,620	48,753	70,630	2.62	1.81	1.45
Santa Clara	112,630	36,313	54,848	3.10	2.05	1.51
Mountain View	68,370	30,507	44,638	2.24	1.53	1.46
Palo Alto	81,290	28,868	40,822	2.82	1.99	1.41
Cupertino	35,650	17,539	27,163	2.03	1.31	1.55
Campbell	26,500	16,010	22,944	1.66	1.15	1.43
Milpitas	36,560	14,158	26,349	2.58	1.39	1.86
Los Gatos	16,400	12,444	18,151	1.32	0.90	1.46
Gilroy	12,790	11,049	17,495	1.16	0.73	1.58

Note: City numbers, except for San José, are Sphere of Influence and are not limited to incorporated areas of individual cities.

Source: Association of Bay Area Governments Projections 1992.

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FISCAL SETTING

The fiscal health of San José is integrally linked with the City's land uses and economic development activity. Generally, industrial and commercial uses generate greater revenues and require fewer services than residential uses. As a "bedroom community," San José has significant service demands while having limited revenues to pay for these services. Figures 5 and 6 document San José's relatively poor per capita revenues when compared with either other large cities in California or other "full service" cities in Santa Clara County. (These figures compare only sales and property tax revenues since they are the only common revenue sources from jurisdiction to jurisdiction).

Since cities within Santa Clara County share the same local economic system, tax revenues per capita should be similar. However, as shown on Figure 6, the prosperity in the metropolitan area is not spread equally between cities. There are basically two reasons for San José's lower revenues. First, San José has proportionally less economic development than other full service cities in the County: commercial land uses where most sales revenues are generated, and industrial land uses which are important for property tax revenues. The jobs-per-employed resident figures in Figure 6 show the general correlation between employment and tax revenues. Because there is proportionally less non-residential development in San José, residential land uses provide a greater share of property tax revenues. Second, housing in San José is less expensive than housing in the remainder of the County; therefore, San José receives less property tax revenue per dwelling unit than other cities.

Because of the constraints imposed by State law, options for improving local government revenues are limited. For this reason, it is

critical to consider the fiscal implications of new growth. A fiscal analysis completed for the San José 2020 General Plan process demonstrated that the location and type of new development affect the costs of providing services. Generally, residential development on the fringe of the City costs more to serve than new growth in infill locations. Increased revenue from an industrial and commercial tax base is the most practical means of providing residents with reasonable levels of municipal services.

■

Figure 5. Fiscal Comparison of California Cities Exceeding 250,000 population

1991-1992 Fiscal Year				
City	Population January 1, 1992	Property & Sales Tax Revenue Per Capita	Property Tax Revenue Per Capita	Sales Tax Revenue Per Capita
Oakland	377,898	\$254	\$184	\$70
Los Angeles	3,579,572	\$242	\$166	\$76
Sacramento	385,127	\$222	\$133	\$89
San Diego	1,149,598	\$216	\$116	\$100
San José	803,038	\$163	\$74	\$89

Note: Property Tax Revenue includes Secured and Unsecured, Voter Approved Indebtedness, Prior Year, and Other Property Taxes.

Source: Annual Report 1991-92 Financial Transactions Concerning California Cities, Gray Davis, State Controller.

Figure 6. Fiscal Comparison of Full Service Cities in Santa Clara County

1991-1992 Fiscal Year			
City	Population	Property & Sales Tax Revenue Per Capita	Jobs Per Employed Resident
Palo Alto	56,334	\$410	1.99
Mountain View	68,889	\$315	1.53
Santa Clara	94,925	\$362	2.05
Sunnyvale	120,509	\$302	1.81
San José	803,038	\$163	0.78

Note: Property Tax Revenue includes Secured and Unsecured, Voter Approved Indebtedness, Prior Year, and Other Property Taxes.

Source: Annual Report 1991-92 Financial Transactions Concerning California Cities, Gray Davis, State Controller.

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DEMOGRAPHICS AND PROJECTIONS OF POPULATION

In planning for future growth, the total increase in population and the demographic characteristics of the population (household size, age and sex, workers per household) are important considerations. Population growth is a function of both natural increase and migration into or out of an area. The rate of natural increase, including births (fertility) and deaths (morbidity), has remained fairly constant over the past several years. Migration, however, is dependent on a wide variety of factors including current and anticipated economic conditions, allowed land uses, service capacities, and the difficult-to-quantify "quality of life." In addition, migration is frequently a function of a larger geographic area or economic region. For example, migration into San José has historically been influenced by employment growth throughout Santa Clara County.

During the 1980s, the population of San José increased more rapidly than anticipated in the Horizon 2000 General Plan. This was partially due to the fact that average household size actually increased to 3.08 persons per household (PPH) rather than declined to between 2.6 to 2.8 PPH as originally projected. Housing growth was also about 17% higher than expected. These two facts show that population growth projections must not be treated as predictions but as best guesses as to the direction growth may take in the future. To further dramatize this, the State Department of Finance estimates that less than three years after the 1990 Census, San José has added nearly 40,000 people growing from a population of about 782,000 to 822,000. During this same period, only 5,600 dwelling units were built in the City.



In addition to substantial population growth, the make-up and character of San José's population changed significantly during the 1980s. The median age rose from 27 to 30.6 which indicates that the City's proportion of older residents will continue to increase. Perhaps the most striking change is the increased diversity in the ethnic make-up of San José's population. No single ethnic group makes up a majority of the City's population. The largest group (49.6%) identified themselves as white but the largest growth rate (178%) between 1980 to 1990 occurred in those who identified themselves as Asian. The Hispanic population increased 48% between 1980 and 1990 to become 26.6% of the City's total population. These changes indicate that the City is growing more diverse which has implications in terms of anticipating the type and nature of the services the City's residents will need. The

DEMOGRAPHICS AND PROJECTIONS OF POPULATION

most significant concern will be to find the resources necessary to serve this growing population.

The City used ABAG's Projections '92 to determine population growth for San José's Sphere of Influence, the area of maximum potential expansion for the City. Because no one can ever precisely predict what will occur in the future, a range of factors and assumptions was used by the City to slightly modify ABAG's conclusions. The City's assumptions can be generalized as follows:

- An increasing birth rate through 2005 followed by a leveling off of the birth rate by 2010.
- A slightly decreasing morbidity rate through 2010.
- Increasing in-migration, comprised primarily of persons less than 35 years of age.
- Increasing participation in the labor force by women.

Projections are not inevitable outcomes. Rather, they are calculations of a future condition if assumptions are proven valid. Using the above assumptions, the future population for San José will be characterized by the following:

- A total population in the year 2010 of between 959,000 and 1,040,000 persons, with a figure of around 1,000,000 persons being most likely.
- An older population, with a median age of 35 to 39 years in 2010 as compared to the median age of 27 years in 1980 and 30.6 in 1990.
- In-migration accounting for slightly more than one-half of the population growth between 1990 and 2010.

- Average household size increasing slightly to 3.10 PPH by year 2005 and then decreasing to 3.08 persons per household in 2010.
- New household formation increasing at approximately the same rate as population growth.
- The average number of workers per household will remain at around 1.6 in 2010 after the steady increase from 1.45 in 1980 to 1.63 in 1990.

The preceding projections are "unconstrained"; that is, they assume that no sociological or public policy limitations on population growth will occur. ■

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Figure 7. Age Composition of San José Population, 1990 and 2010

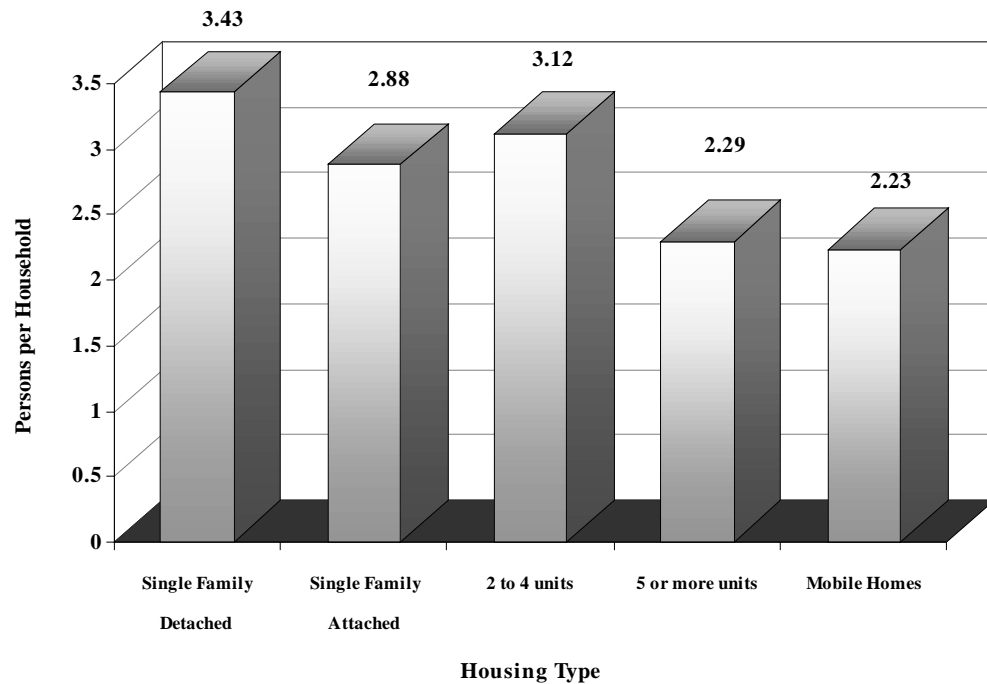
Age Category	Number of Persons 1990	%	Number of Persons 2010	%
0-4	65,666	8.4	80,297	8.0
5-9	59,604	7.6	85,811	8.6
10-14	51,921	6.6	85,811	8.6
15-19	55,186	7.0	66,444	6.6
20-24	68,069	8.7	64,384	6.4
25-29	83,865	10.7	59,650	5.9
30-34	82,801	10.6	52,001	5.2
35-39	68,329	8.7	52,906	5.3
40-44	57,698	7.4	63,943	6.4
45-49	45,406	5.8	82,122	8.2
50-54	34,737	4.4	82,301	8.2
55-59	28,693	3.7	63,808	6.4
60-64	23,915	3.1	53,744	5.4
65-69	20,099	2.6	41,233	4.1
70-74	14,131	1.8	28,579	2.8
75-79	10,453	1.3	20,542	2.0
80-84	6,653	0.9	13,428	1.3
85+	5,022	0.6	7,833	0.8
Total	782,248	100	1,003,180	100

Source: 1990 Census; ABAG Projections '92

DEMOGRAPHICS AND PROJECTIONS OF POPULATION

Figure 8.

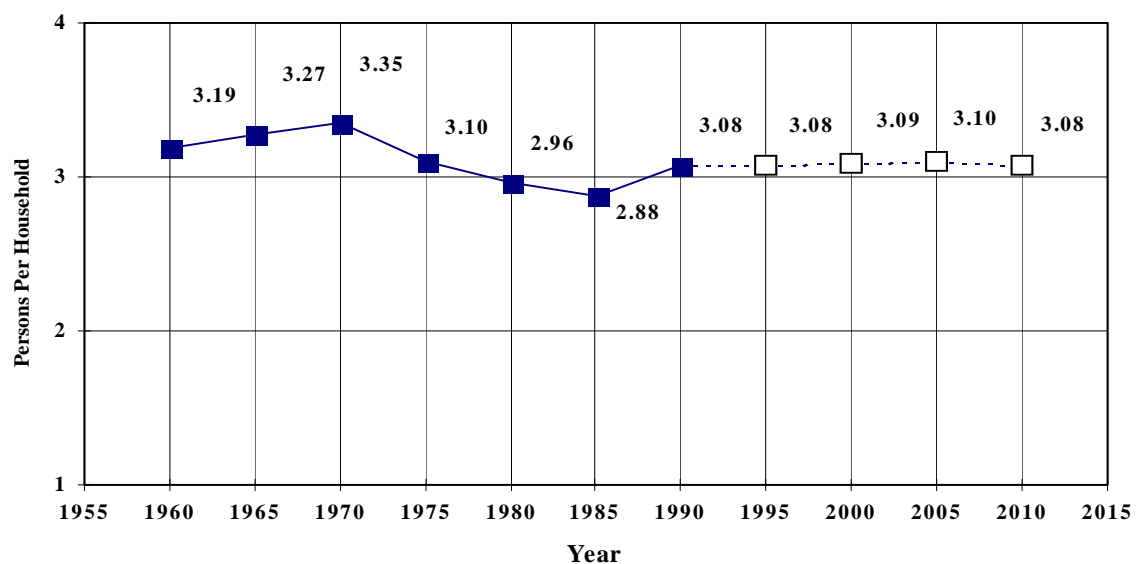
Persons Per Household by Housing Type



Source: Department of Planning, Building and Code Enforcement

Figure 9.

San José Household Size



Source: Department of Planning, Building and Code Enforcement

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PROJECTIONS OF EMPLOYMENT AND ECONOMIC ACTIVITY

San José is an economic, as well as geographic, component of Santa Clara County. Trends in economic activity in the County as a whole will largely determine economic trends in the City.

County-wide employment growth from 1990 to 2010 is expected to differ from general patterns established since World War II with decreasing manufacturing jobs and increasing service jobs. Highlights of historic growth patterns from 1950 to 1990 are:

- A 665 percent increase in total employment from about 110,000 jobs in 1950 to 841,800 jobs in 1990.
- Increases faster than the overall rate in Manufacturing (1000 percent increase), Services (700 percent increase) and Government (600 percent increase) between 1950 and 1980.
- Service sector jobs increased from 22% to 26% of County total employment between 1980 - 1990; manufacturing sector jobs declined from 36% to 32% during the same timeframe.
- An increasingly larger share of the Manufacturing sector was devoted to "high technology" products which have given Silicon Valley its name, including: computers and peripherals; calculators; communications equipment; electronic components such as semiconductors, circuit boards and CRT's; missiles and space vehicles; and instruments. This sector will continue to play an important role in future County job growth.
- Continued decline in Agriculture and Mining sectors.

- Increases in most other sectors in numbers of jobs, though at slower rates than total employment growth.
- The creation of 174,500 jobs during the four-year period from 1975 to 1980, an unprecedented growth of employment equaling 25 percent of the total number of 1980 jobs in the County.
- An increase of 145,400 jobs added to the County between 1981 and 1990. Over 60% of this growth occurred in the first half of the decade before the state and national economies slowed.

Total employment in the County is projected to increase to about 1,105,800 jobs in 2010. This represents an "unconstrained" forecast, which assumes no barriers to economic expansion and growth. The anticipated 1990 to 2010 increase of about 244,000 jobs would represent a slower rate of employment growth than was experienced in Santa Clara County in the late-1970's and early 1980s. San José's share of this employment growth is projected to be about 126,000 jobs or 52%.

Those sectors of the County's and City's economies which will show the highest rates of growth are Services and Wholesale Trade. Job growth will increase slightly in the higher skilled, higher earning categories but stabilize between 2000 and 2010. In each of these sectors, high technology products and services will predominate. It is expected that local employment expansion by high technology manufacturing firms will be primarily non-production jobs such as administrative headquarters and research and development functions, with expansion of fabrication and assembly operations occurring in other regions for the most part. Programming and computer services will be a high growth industry. Agriculture and food processing jobs will continue to decline. All other sectors should experience

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growth, but at rates slower than overall employment growth.

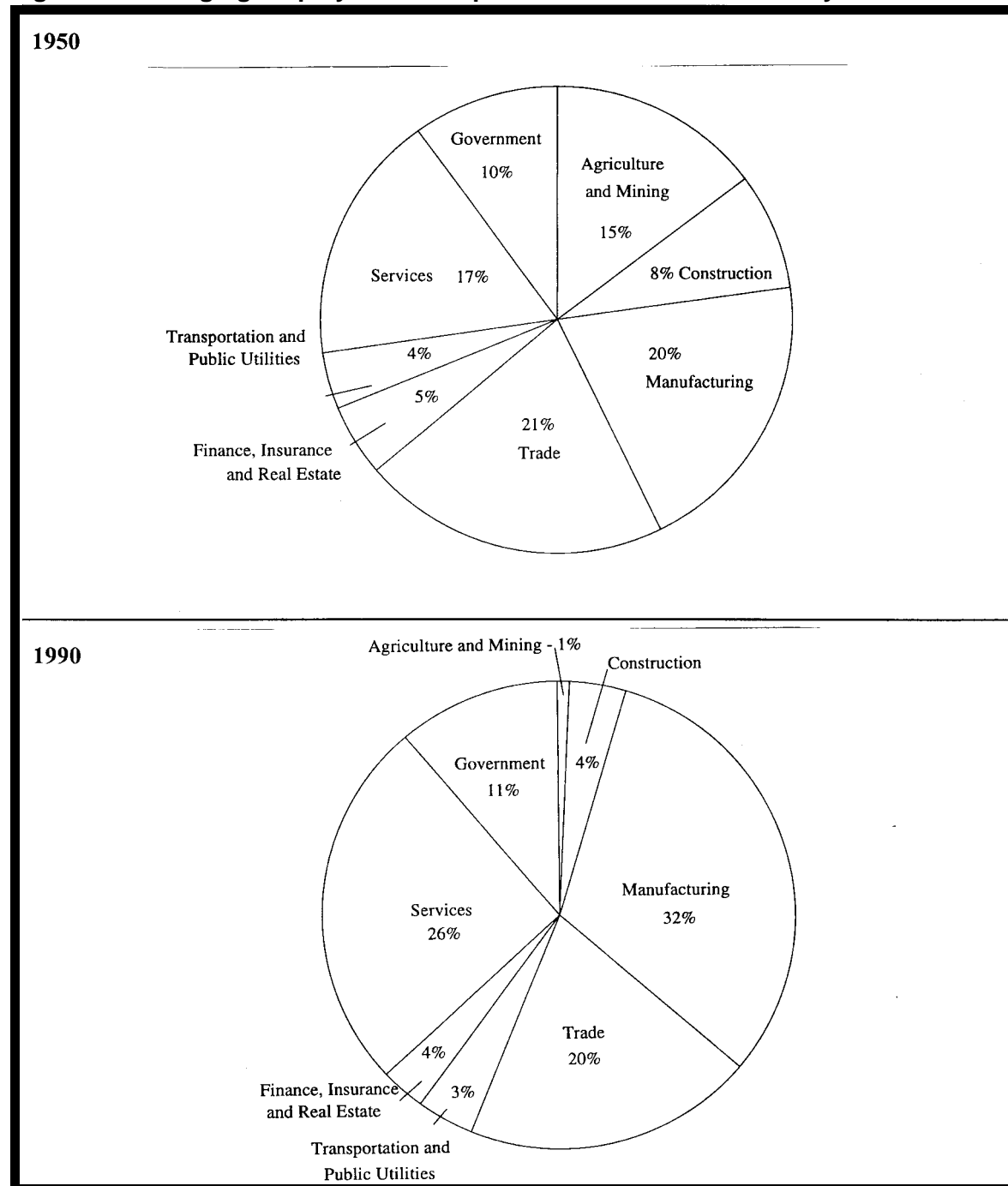
The faster rates of growth in the high technology sectors and the fact that high technology employment growth in Santa Clara County will be largely white collar implies a continuing demand for a well-educated and highly skilled labor force. Although high technology manufacturing may actually decline, the firms that make up these industries are developing complex innovative alliances with other hi-tech centers in the global economy. These alliances should ensure that Santa Clara County will continue to be the leading and most successful high-tech region in the United States.

In order for the City to have its share of the County's continued success and economic growth, it must ensure that a wide variety of industrial land is available to meet the needs of existing and future industries. San José is particularly well suited to accommodate growth in the high technology job sectors due to its sizable inventory or vacant industrial land and its relatively lower land costs compared to the rest of the economy. The City has also made substantial efforts to provide infrastructure and use other incentives to attract industrial development. San José also has other advantages including its proximity to the rest of Silicon Valley, its synergistic mix of existing businesses, and the fact that it provides most of the housing for the County. ■



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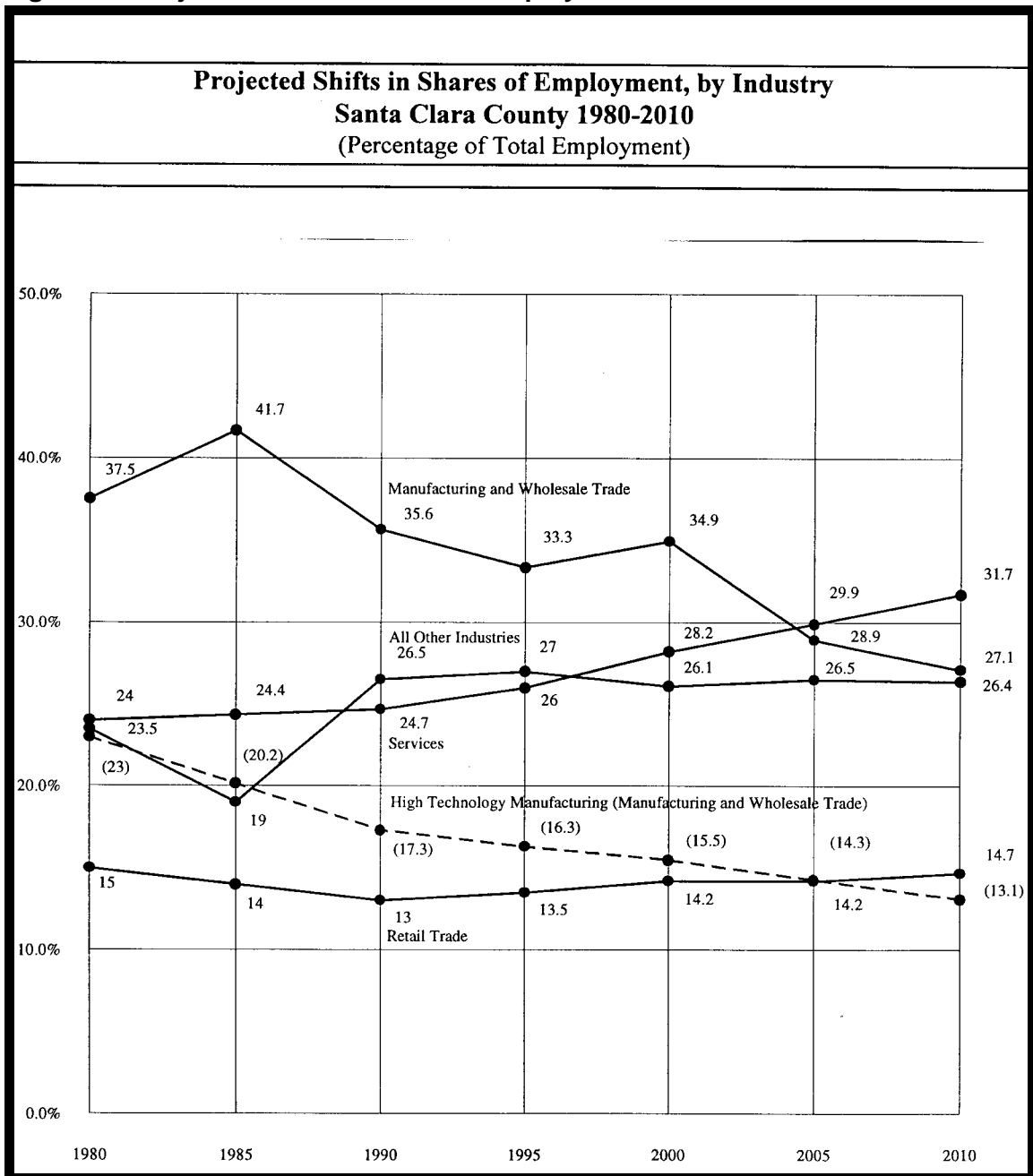
Figure 10. Changing Employment Composition in Santa Clara County



Source: Department of Planning, Building and Code Enforcement

PROJECTIONS OF EMPLOYMENT AND ECONOMIC ACTIVITY

Figure 11. Projected Shifts in Share of Employment



Source: Department of Planning, Building and Code Enforcement

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LAND USE/TRANSPORTATION DIAGRAM DEVELOPMENT

The questions of how much future population and economic growth should be accommodated in the City of San José between 1990 and the years 2010-2020, and where and when growth should occur, were fundamental issues addressed by the San José 2020 General Plan Task Force. A basic premise of the Task Force process, and one embodied in this Plan, is that growth can be planned and directed to achieve beneficial ends, and that the magnitude and location of growth is, therefore, of direct concern to the residents, businesses and taxpayers of San José. Another major factor considered by the Task Force in the development of the Plan was the realization that a significant portion of the planned City was already developed. The overall development pattern of the City has been established, thereby limiting the range of options to be considered in the design of the Plan.

The Task Force began the process of planning the future of the City by reviewing a series of background papers considering the economic, environmental, housing, demographic, fiscal, and urban service issues that could affect future growth in San José and the region. The purpose of these papers was to identify the opportunities and constraints faced by the City as it grows into the 21st century. The Task Force had to consider all of these issues before it could decide how much growth should be accommodated in the Plan consistent with the City's desire to maintain and improve its quality of life. A summary of the key issues is given below.

Economic

The need to encourage job growth and economic development continues to be critical to the future of the City. Job growth would improve the City's poor jobs/housing

imbalance, and further economic development would help generate a more robust and stable tax base which is necessary to fund the City's urban service needs. This issue was so important that all the growth alternatives considered by the Task Force projected the same amount of job growth to ensure that the City would be planning for economic success. A key question was how much industrial land should be preserved to accommodate the job growth.

Environmental

The Task Force examined air quality, traffic congestion, water supply, water quality, and open space issues and their potential effects on restricting development in San José and the region. To a certain extent, these environmental factors could limit growth both in San José and the region. The City's ability to affect these factors is limited since they are regional issues. The type and distribution of future development in San José could, however, help minimize adverse impacts on these environmental factors. More compact forms of development would minimize adverse impacts on air quality, traffic congestion, open space, and to a lesser extent, water supply and water quality. More extensive, land consuming types of development would have greater adverse environmental impacts.

Perhaps the most significant environmental factor considered in the update process was traffic congestion. The limits on the traffic capacity of the anticipated transportation system and the City's transportation level of service policies were both critical factors in limiting growth.

Housing

San José provides far more housing than it does jobs but some level of future housing growth will be necessary to provide for

existing unmet needs and to house future workers. The main questions the Task Force had to resolve were how much housing was necessary and of what type, and how should it be distributed. The amount and type of housing to be built had to be balanced against the City's ability to provide services and to create economic development opportunities. The distribution question hinged mainly on whether or not new residential development should be limited to San José's existing Urban Service Area (USA) or expanded to include the Urban Reserves currently located outside of the USA. A subset of this issue was determining how much new residential development should be high density housing focused along light rail transit and other major transportation facilities defined as intensification corridors.

Demographic

Population growth in San José in the 1980's was enormous both in terms of absolute numbers and in relation to the Countywide growth. San José's growth appears to be continuing in the early 1990's as well and will create pressure for additional housing opportunities and increased services. The changing character of the City's population in terms of age and ethnicity will also impact service needs.

Fiscal

The City must be fiscally healthy if it is to be able to provide the services needed by its residents at adequate levels. Residential land uses generate large urban service needs but do not generate adequate revenues to pay for these services. Since San José is primarily a residential community, its fiscal resources are limited. Any new residential development in the City could act as a new drain on these limited resources. New industrial or commercial development,

however, could enhance these resources since industrial and commercial uses tend to make fewer demands on urban services and tend to have higher property tax rates. Thus, improving the City's jobs/housing balance would improve the City's fiscal condition. Furthermore, locating new development of any type within the City's existing USA would have less adverse effects on the City's fiscal condition than development on along the urban fringe.

Urban Services

The City's existing ability to provide urban services and maintain its infrastructure was closely examined by the Task Force. It was found that the City was close to meeting its General Plan level of service goals for streets, sewers, and storm drains but it was finding it difficult to meet its goals for parks, recreation facilities, and libraries. Police and Fire Department services were still effective but under increasing strain. The City's problems in providing urban services were related to the economic, housing, demographic and fiscal factors already discussed above. The Task Force had to consider urban service impacts when determining how much residential development should be accommodated and where it should be distributed. Infill development within the City's Urban Service Area was the most efficient development pattern for providing urban services but there were still substantial urban service costs associated with any form of residential development. It was also found that current revenue sources were not sufficient to meet all anticipated service needs.

In addition to City urban service needs, the impacts of new growth on school districts and the Santa Clara Valley Water District were also examined. The Santa Clara Valley Water District is currently on schedule with its flood control improvements since much of that type of improvement is paid for by

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new development. School districts on the other hand were faced with classroom space shortfalls in the face of increasing housing growth. Given their limited financial resources, the school districts have indicated they need more assistance to meet the demand for schools services.

Growth Alternatives

The key factors listed above were used to establish the limits of the Growth Alternatives considered by the Task Force for the San José 2020 General Plan. The Task Force considered five Growth Alternatives summarized in Figure 12. One factor, job growth, was held constant for all five alternatives. The reason for this was that continued economic development will be a critical factor in the future success of the City and its operations. The City must be in a position to take advantage of the economic development opportunities that can be foreseen and be flexible enough to accommodate those that are unforeseen as well.

Although total job growth was held constant (126,000 jobs), the distribution of these jobs varied with each alternative. These various distributions were not all equally probable and all had different implications for traffic congestion. In all of the alternatives, the bulk of the job growth would occur in the existing industrial areas of the City but a substantial number were also scattered throughout the City in shopping centers, office developments and other commercial areas.

The residential growth proposed in each alternative varied from a low of 52,000 units in Alternative I to a high of 70,000 units in Alternatives II and III. The low end of the range was established by the number of units planned for in the 1993 version of the Horizon 2000 General Plan. The high end of the range was established so that the

maximum amount of additional housing growth proposed would not worsen the City's existing jobs/housing balance of about 0.78 jobs/employed resident. All of the alternatives assume that maximum job and housing growth will occur sometime between the years 2010 and 2020.

The distribution of new housing varied widely among the Alternatives although four of the five had some level of development proposed in the Urban Reserves which are located at the edge of the City's existing Urban Service Area (USA). Alternatives I and II proposed the same amount of residential development in the Urban Reserves (11,000 units) and Alternative IV proposed the greatest amount (23,000 units). Alternative V proposed the least amount (2,000 units) of development in the Urban Reserves. Alternative III was the only Alternative that proposed that all new housing development (in this case 70,000 units) be accommodated within the existing USA.

Three of the five alternatives (Alternatives II, III and V) also proposed that residential densities be increased along certain light rail transit and other major transportation facilities known as Intensification Corridors. The level of intensification varied from a low of 6,600 units (Alternative V) to a high of about 17,000 units (Alternative III). The alternatives were developed to test the advantages of locating high density residential development near public transit.

Alternatives II, III and V also proposed the conversion of some non-residential lands to residential use. The number of units proposed on converted lands varied in number (8,000-12,000 units) and distribution. The amount of industrial land proposed for conversion under these Alternatives was relatively minor to avoid any significant adverse effects on the City's economic development strategy.

Alternatives I-IV each underwent an analysis covering the major economic, environmental, fiscal, and other factors mentioned above. The Alternatives that proposed the least extensive residential development performed the best in terms of fiscal and environmental effects but all had problems in terms of limiting traffic congestion to acceptable levels. Alternative V was developed in response to the traffic congestion problem and was able to identify relatively limited transportation mitigation measures necessary to meet the City's transportation level of service (LOS) policies. Alternative V also sought to maximize the number of new dwelling units that could be accommodated in the Plan without significant adverse traffic impacts. The transportation mitigation measures proposed in Alternative V also worked for Alternative I so that it too complied with the City's transportation LOS policies. Thus, only Alternative I or V could be used as the basis for the San José 2020 General Plan. Alternative V was chosen by the Task Force since it provided a wider variety of residential development opportunities that could be reasonably supported by the City's economic, fiscal and environmental conditions.

The City Council ultimately choose a modified version of Alternative V to form the basis of the San José 2020 General Plan. This modified version reduced the total number of dwelling units from 58,300 to 52,900. This change is due to the reduction of the potential number of dwelling units proposed on converted lands from approximately 8,700 to about 3,300. All other aspects of Alternative V remain the same in the modified version. ■

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Figure 12. San José 2020: General Plan Alternatives

	Key Concepts	Planned Growth
Alternative I	<ul style="list-style-type: none"> Continue to pursue the Major Strategies, Goals and Policies of the Horizon 2000 General Plan. Capture 52% of Countywide job growth. Maintain 1993 development intensities. Improve 1993 jobs/housing balance significantly. 	<ul style="list-style-type: none"> 126,000 new jobs 52,000 new housing units Population increased by about 160,000
Alternative II	<ul style="list-style-type: none"> Allow extensive development beyond 1993 Urban Service Area boundary; full development of Urban Reserves. Capture 52% of Countywide job growth. Encourage moderate land use intensification along major transportation facilities. Maintain 1993 jobs/housing balance. 	<ul style="list-style-type: none"> 126,000 new jobs 70,000 new housing units Population increases by about 216,000
Alternative III	<ul style="list-style-type: none"> Contain all new development within 1993 Urban Service Area boundary; no development in Urban Reserves. Capture 52% of Countywide job growth. Encourage substantial land use intensification along major transportation facilities. Maintain 1993 jobs/housing balance. 	<ul style="list-style-type: none"> 126,000 new jobs 70,000 new housing units Population increases by about 216,000
Alternative IV	<ul style="list-style-type: none"> Allow extensive development beyond 1993 Urban Service Area boundary; full development in Urban Reserves including more intensive development in the Coyote Valley Urban Reserve. Capture 52% of Countywide job growth. Maintain 1993 development intensities. Improve 1993 jobs/housing balance. 	<ul style="list-style-type: none"> 126,000 new jobs 63,000 new housing units Population increases by about 194,000
Alternative V	<ul style="list-style-type: none"> Allow modest development beyond 1993 Urban Service Area boundary; only South Almaden Urban Reserve is developed. Capture 52% of Countywide job growth. Encourage modest land use intensification along major transportation facilities. Improve 1993 jobs/housing balance significantly. 	<ul style="list-style-type: none"> 126,000 new jobs 58,300 new housing units Population increases by about 180,000
Preferred Alternative	<ul style="list-style-type: none"> Key concepts the same as Alternative V. 	<ul style="list-style-type: none"> 126,000 new jobs 52,900 new housing units Population increases by about 163,000.

Source: Department of Planning, Building and Code Enforcement

LAND USE/TRANSPORTATION DIAGRAM DEVELOPMENT Growth Alternatives

Figure 13. San José 2020: Probable Distribution of New Jobs (1990-2010)

Location	Jobs Added
Alviso	1,000
North San José, Between Highway 101 and I-880	21,000
North San José, East of I-880	7,000
Greater Downtown	15,000
Japantown/Midtown	1,000
Monterey Corridor/ Communications Hill	5,000
Evergreen	5,000
Edenvale	16,000
North Coyote Valley	5,000
Subtotal	76,000
Other Areas ¹	50,000
Grand Total	126,000

¹Includes shopping centers, retail commercial and office developments along major thoroughfares, and other industrial and commercial sites scattered throughout the City.

Source: Department of Planning, Building and Code Enforcement

Figure 14. San José 2020: Probable Distribution of New Housing (1990-2010)

Location	Growth in Dwelling Units
Vacant residential land within the 1993 Urban Service Area boundary	35,000
Non-residential lands converted to residential use	3,300
Intensification Corridors	6,600
South Almaden Valley Urban Reserve	2,000
Other lands designated for residential use	6,000
Total	52,900

Source: Department of Planning, Building and Code Enforcement

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